

**TRANSPORTATION PERMIT EFFICIENCY
AND ACCOUNTABILITY COMMITTEE (TPEAC)**

Proposed Agenda for the Twenty-Eighth Meeting

Comfort Inn & Conference Center
1620 74th Avenue SW
Tumwater, WA 98501 (see map)

Wednesday, December 8, 2004

AGENDA ITEM		TIME
1.	WELCOME, INTRODUCTIONS, ANNOUNCEMENTS, OCTOBER 10, 2004, MEETING SUMMARY APPROVAL <i>Senator Dan Swecker</i>	9:00
2.	COMMUNICATING TPEAC SUCCESSES (Action) <i>Senator Dan Swecker</i> TPEAC members will come prepared to share ideas on creative ways of communicating the successes of TPEAC	9:15
3.	FY05-07 – CONTINUING AGENCY STREAMLINING WORK -- AFTER TPEAC SUNSET (Action) <i>Senator Dan Swecker</i> State agencies will speak to their continuing budget needs after TPEAC sunset (March '06). These needs are outlined in the attachment. TPEAC will decide whether to endorse this proposal.	10:00
4.	KING COUNTY'S PERMIT HARMONIZING EFFORTS (Information) <i>Joe Miles and Harry Reinert</i> will outline King County's permit improvement efforts including a streamlined approach to mitigation banking.	10:45
5.	DNR'S WATERSHED BANKING (Update) <i>Jay Udelhoven</i> will report back on DNR's progress with watershed banking.	11:45
	WORKING LUNCH <i>Guests are welcome to join committee members for lunch. If you wish to do so, please give a check for \$11.00, made payable to WSDOT TPEAC, to Julie Ruster</i>	12:15
	6. NEW CONSULTATION PROCESS (Update) <i>Mike Grady</i> will report on the coordination work between WSDOT, FHWA, USFWS, and NOAA Fisheries.	

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| 7. | MITIGATION BANKING
(Update) <i>Lauren Driscoll</i> will report on the mitigation banking work at Department of Ecology. | 1:00 |
| 8. | WATERSHED CHARACTERIZATION
(Update) <i>Dick Gersib</i> will report on the results of SR 405 and SR 520 and update TPEAC on the SR 167 Corridor project. | 2:00 |
| 9. | TPEAC BUDGET
(Update) <i>Carrie Berry</i> will provide an update on the TPEAC budget. | 2:30 |
| 10. | REGIONAL FISHERIES ENHANCEMENT GROUP COALITION PROPOSAL
(Action) <i>Sheila North and Terry Wright</i> will present a proposal for developing and testing a model process to prioritize salmon recovery project lists for use by WSDOT to identify mitigation projects. | 2:45 |
| 11. | PUBLIC COMMENT
Provide time for public comments to the streamlining process. | |
| 12. | REVIEW OF ACTION ITEMS AND DELIVERABLES
<i>Carrie Berry</i> will reiterate action items and deliverables for the next meeting. | |
| 13. | CLOSING AND ADJOURNMENT
<i>Senator Dan Swecker</i> | 3:00 |

Meetings for 2005:

March 23, 2005 (4th Wednesday)
June 22, 2005 (4th Wednesday)
September 28, 2005 (4th Wednesday)
December 8, 2005 (2nd Thursday)

**TRANSPORTATION PERMIT EFFICIENCY AND
ACCOUNTABILITY COMMITTEE (TPEAC) MEETING
DECEMBER 8, 2004**

*Comfort Inn & Conference Center
1620 74th Avenue SW
Tumwater, Washington*

COMMITTEE MEMBERS PRESENT

VOTING

- Senator Dan Swecker, Senate Republican Caucus
- * Senator Mary Margaret Haugen, Senate Democratic Caucus
- Representative Phil Rockefeller, House Democratic Caucus
- * Representative Doug Ericksen, House Republican Caucus
- Megan White, Washington State Department of Transportation
- * Greg Hueckel, Washington State Department of Fish and Wildlife
- Jackie White for Joan McBride, Association of Washington Cities
- * Scott Merriman, Washington Association of Counties
- Scott Boettcher for Gordon White, Washington State Department of Ecology

NON-VOTING

- Dan Dixon, Consulting Engineers Council of Washington
- Christine Golightly Columbia Inter-Tribal Fish Commission
- Mike Grady, U.S. Fish and Wildlife Service/NOAA Fisheries
- Darrell Phare, Northwest Indian Fisheries Commission
- Dee Arntz for Ann Aagaard, Statewide Environmental Group
- Rick Slunaker, Association General Contractors of Washington
- Bryan Flett, Upper Columbia United Tribes
- * Grant Nelson, Association of Washington Business
- * Washington State Building and Construction Trades Council

INVITED

- Tom Mueller, U.S. Army Corps of Engineers
- * Dan Mathis, Federal Highway Administration
- Tom Eaton, Environmental Protection Agency

- * Denotes no representative in attendance

1. Welcome, Introductions, Announcements

9:00 a.m.

October 10, 2004, Meeting Summary Approval

Senator Dan Swecker called the meeting to order at 9:16 a.m. He introduced the former Representative Phil Rockefeller as Senator-Elect Rockefeller. It is Senator Swecker's hope that the Senator-Elect can stay on with TPEAC in his new capacity.

2. Communicating TPEAC Successes

9:15 a.m.

At the last TPEAC meeting, Senator Swecker requested an action item for a brainstorming session on how TPEAC can "get the word out" more efficiently and effectively. He opened with one idea before offering to the floor to the group for other ideas. A short synopsis of each follows:

- Senator Swecker suggested the development of an online, formatted tutorial, replete with varying levels of questions ranging from general to specific. The TPEAC website is in place, but an e-library or an e-archive would markedly improve its utility.
- Jackie White suggested workshops to teach, train, and educate elected officials about TPEAC from the technical level to the policy-making level.
- Senator Swecker suggested updating the TPEAC website with much more regularity. He manages a site on which he posts up to 10 new stories a day that generates much repeat e-traffic. Daily updates might be unrealistic for the TPEAC site, but frequent updates might help TPEAC better retain its "repeat customers."
- Peter Birch suggested links to other web sites. He noted the important of considering one's audience and that a good place to start might be a municipal area with a big transportation project underway.
- Senator Swecker noted that something along the line of a "permit streamlining for dummies" would be useful for agencies to inform their audiences.
- Scott Boettcher and Senator Swecker both noted that many people simply have questions, so perhaps we should make our approach question-centric. To that end Senator Swecker suggested that a FAQ sheet on the site might be a good idea.
- Tom Mueller suggested a national newsletter but would be unsure of the regularity with which it would be distributed.
- Tom Eaton asked whether there's a national site dedicated to the concepts being discussed. Megan White replied that there's not so much a site as there are networking and outreach efforts in place to that end. Megan will follow up with Sharon Love as it's a question best left to the Federal Highways Administration. Senator Swecker commented that, as a state, we compare favorably in this area with other states.
- Clare Hesselholt from Office of Regulatory Assistance (ORA) said she will look into linking the TPEAC website through their webpage.
- Senator Swecker will explore the possibility of linking to the TPEAC website from his Legislative Biography on the state site.
- Scott Boettcher, Judy McBride, and Senator Swecker each reiterated the importance of identifying and defining TPEAC's audience. The Senator suggested that, if need be, an "If you are... click here" feature could be developed for the website to better find information tailored to answer questions from specific types of people (i.e., occupation, local resident, etc.).

- Senator Swecker then called on the group to volunteer to help with this effort, saying that we can't rely on the final product to fulfill interim needs. To this end, the Senator asked Megan White to chair a steering committee. A sign-up sheet was circulated, and Megan will follow up.

3. FY05-07 – Continuing Agency Streamlining Work After TPEAC Sunset 10:00 a.m.

TPEAC has provided a valuable forum to bring together all those involved in transportation permitting. All participants now recognize the relationships between their roles and the importance of working together to bring about a more streamlined permitting process in order to more efficiently use government resources and achieve better environmental results. Some of the TPEAC innovations have been institutionalized, such as a variety of programmatic permits, and more will be instituted over the coming year, including watershed characterization; improvements to environmental mitigation; and the online JARPA tool to improve permit applications. In addition, as an outgrowth of TPEAC, a Multi-Agency Permitting Team has been established with multi-agency sponsorship. The team is working on permitting a set of transportation projects.

All state agencies participating in TPEAC recognize the need for continuous improvement in the permitting system; to maintain the flow of information between the agencies, the permit applicants, and the public; the importance of integrating different permit requirements; and the importance of improving environmental outcomes. This work is in addition to streamlining and regulatory improvement activities currently funded within each agency with existing resources.

Senator Swecker identified three things necessary to carry the legacy of TPEAC into the future:

- A legislative mandate
- People with enough initiative to get to the table and do the “heavy lifting”
- Resources

Because of the timetable by which the TPEAC must expire, Senator Swecker suggested substituting vision for the legislative mandate. The Senator added that TPEAC should finish the products we have now and then ask the agencies to identify needs to enable them to move forward with TPEAC successes. Another issue is that the WSDOT budget will need new carry-over to keep TPEAC going. TPEAC is covered through March 2006, but we must finish what's on the table, and then manage the handoff.

Peter Birch commented that streamlining is an ongoing process - that an end to one thing begets the beginning of another. He mentioned an arena in which TPEAC needs to improve: interface and work with local government. He also expressed concerns about the federal level, where it seems there's no hesitancy to recommend, adopt, or implement policy, but will they have the mechanisms in place to put it to use?

Tom Mueller commented that he feels as though TPEAC is, in some ways, ahead of its time and that other states may move to emulate a TPEAC model. He added that many other Corps districts are catching up to what ours is doing, and cited Scott Boettcher and the

JARPA online forms as being ahead of the curve. He also added that COE national streamlining efforts are in place.

Representative Rockefeller stressed the importance of team building but also noted that in order to put the mandate to bed it's of high importance to be certain that a means of accountability is implemented without the mandate in place. He added that the processes must go on wherever possible on a day-to-day basis. Megan White replied that ORA is the convener, the mechanism by which to ensure accountability.

Rick Anderson suggested creating a task force within the steering committee (see "Communicating TPEAC Successes" above) to articulate not only the vision of TPEAC but to articulate and even quantify TPEAC successes stressing the importance of communicating those successes in tangible forms.

Elmira Forner commented that TPEAC should look at these proposals within the framework of maintenance as what TPEAC does will affect the budgets of many agencies.

Senator Swecker noted that much of the work down the road falls to the Environmental Services Office (ESO) of WSDOT, and questions whether there would be too much pressure if ESO had to "go it alone."

Megan White, Director of Environmental Services at WSDOT, responded that she didn't think ESO would have to "go it alone" - that those represented at and by TPEAC know they need to work in concert. At the same time, she noted, some change is in order - after five years of the committee process, adjustments must be made to accommodate those things that have changed since TPEAC started.

With that, Megan presented the budget projections on behalf of WSDOT, followed by Peter Birch, on behalf of WDFW; Claire Hesselholt, on behalf of ORA; and Scott Boettcher, on behalf of Ecology.

The proposals and their governing agencies are as follows:

WSDOT

Implement TPEAC Tools after TPEAC Sunset: This includes implementing a permit compliance system and compliance training, using and maintaining programmatic permits, implementing a watershed approach to mitigation, and continuing to develop and implement integrated on-line permit application tools and submittal system. These resources are needed to continue to provide training and to measure and report on permit compliance, maintain and update programmatic permits, apply the watershed approach to define better mitigation options for high priority areas, and develop the permit submittal capabilities of the on-line permit application system. This would direct funding for these tasks to Ecology, WDFW, Office of Regulatory Assistance, and WSDOT. Projected: \$500,000 from April 2006 to

July 2007; \$1,000,000/biennium thereafter. This represents an overall decrease to carry forward TPEAC funding of \$1,625,000/biennium.

WDFW

Implement Hydraulic Permit Approval System: A new Hydraulic Permit Approval Management System (HPMS) is now under development to replace obsolete manual tools and to automate Hydraulic Permit Approval (HPA) business practices. Phase one of the new HPMS system will be implemented this biennium and provide a basic capability for habitat biologists to receive applications and issue permits. Several key capabilities that are needed will not be included in the new system this biennium due to funding limitations; specifically, site visit recording tools, enforcement officer communication and inspection tools, appeals tracking and management, public access to data, and GIS integration. These will need to be added in Phase two to achieve full system capability. Projected: WDFW \$300,000.

ORA

Maintain Web Permitting & Rule Information: The Office of Regulatory Assistance is required to maintain a web site to provide permitting and regulatory information but the information technology resources required were not fully funded in the 03-05 biennium. This request would be added to existing resources to fully fund one information technology position to fully develop the website and to maintain the web-based permitting and project tracking system currently under development. Projected: ORA/OFM \$66,000.

Provide Permitting Information and Facilitation: The Office of Regulatory Assistance provides specialists to facilitate multi-agency permitting for economically significant projects. It also provides specialists who staff a one-stop service center where citizens can obtain permit information via phone or web, usually for less complex projects. This budget request would add one specialist to facilitate large projects and one specialist to work at the one-stop center. Projected: ORA/OFM \$380,000.

WDOE

Streamline Water Quality Certifications (Section 401 permits): Ecology initiated a pilot for improving the processing time and accountability of these permits that are required for built-in wetlands or water bodies (including transportation projects). The pilot resulted in 90 percent of routine permits being processed in 90 days instead of up to a year. This proposal would allow Ecology to expand the pilot statewide and thereby increase the number of permit decisions in a shorter time frame. This would add three staff. Projected: Ecology \$610,000.

Support Wetlands Mitigation Banking: Wetland banking is a method that allows high quality wetlands to be restored, enhanced, and preserved on a large scale to offset impacts to wetlands from growth. Without state approval, wetland bank owners will have difficulty in selling and using mitigation credits for state or local permits. This would fund a pilot to enable Ecology to continue testing a draft rule negotiated with stakeholders, certify existing banks, and to determine what it will cost the state to implement a wetland banking program. This would add two staff. Projected: Ecology \$395,000.

Total: \$1,751,000/biennium (FY05-07) – this does not include the decrease to TPEAC funding.

Action: Senator Swecker asked for an action item as TPEAC does not meet again until March. He motioned that the group vote on these proposed budget projections. Representative Rockefeller moved that the group approve the budget projections. Megan White seconded the motion. By a unanimous vote in favor, the motion carried.

4. King County's Permit Harmonizing Efforts

10:45 a.m.

Joe Miles, Manager of the Land Use Services Program, and Harry Reinert, Special Projects Manager to the Director's Office, presented to the group an outline of King County's efforts to "harmonize" its permitting process. Their efforts are the result of what King County officials feel is the need for a drastic reappraisal of their permitting approach.

As it stands, for a single building proposal in King County, applicants need approvals from multiple agencies adding significant time and cost to the total project. In many cases, more than one agency is performing the same type of review. This can result in conflicting reporting requirements and mitigation standards.

After some review, three objectives -- all of which closely resemble the objectives of TPEAC -- objectives were identified. They are:

- To streamline the permit process for applicants
- To make efficient use of limited government resources
- To maintain and enhance environmental protection

King County has targeted three permits in particular for improvement: Hydraulic Project Approvals, 401/404 Water Quality Certifications, and NPDES Stormwater Permits. All three permitting processes face dramatic restructuring and work has begun to meet those ends.

Senator Swecker asked whether King County has plans to develop a programmatic opportunity within its program. The Senator also expressed concern that the county might be making the process more complicated. Joe replied that the local permit will satisfy the statewide need and that the thrust of this agreement was to clear the added hurdle of a second permit.

Scott Boettcher asked whether the new application would be clear enough for the applicant to easily understand it. Tom replied that, based on the information the applicant provides, an estimate can be provided online. Safeguards are in place to ensure that irregularities are caught and flagged and explanations for them must be offered at a supervisory level.

Rick Slunaker asked whether there's critical analysis to determine accuracy and efficiency. Tom replied that this proposal went through a task force review and was met favorably. The King County group is currently getting feedback on its estimates.

5. DNR Watershed Banking

11:45 a.m.

Jay Udelhoven from DNR spoke in support of the proposed legislation for the Pilot Mitigation Bank Proposal.

Washington DNR manages 2.4 millions acres of aquatic lands including most of the Puget Sound, the outer coast, and navigable freshwater rivers and lakes. There are 426 recognized structures/ encumbrances on state-owned aquatic lands for DOT bridges, ferries, and roads. There are 32 pending/ongoing DOT projects that may impact state-owned aquatic lands. DOT must get an easement from DNR for projects on state-owned aquatic lands.

There are three goals for the bill:

- To streamline compensatory mitigation efforts.
- To restore a large area of submerged lands that benefits an entire ecosystem or bay using existing planning efforts (i.e., watershed and salmon recovery plans, etc) to the extent possible.
- To consolidate several small compensatory mitigation projects into a single, large project that's more effective, easier to manage, and easier for regulators to oversee.

The proposed bill for 2005 establishes the ability for DNR to partner with private or public entities to develop a single pilot mitigation bank on state-owned aquatic lands and sell bank credits. It will also set up two accounts - one account to receive a lump-sum management endowment and to act as an investment base and one account to receive the interest earned from the investment base to be used on an annual basis to manage the pilot mitigation bank site for the long term.

The previous bill from the 2004 session established the ability for DNR to become the long-term site manager for external entities who are required by regulators to undertake compensatory mitigation. It also established the ability of DNR to receive in-lieu fees from external entities that are required by regulators to undertake compensatory mitigation; DNR would perform restoration work that would serve as the compensatory mitigation for the entities. It further established the ability for DNR to partner with private and public entities to develop mitigation banks on state-owned aquatic lands and sell mitigation bank credits. Lastly, it set up two accounts - one account to receive lump-sum management endowments and to act as an investment base and one account to receive the interest earned from the investment base to be used on an annual basis to manage compensatory mitigation sites and bank sites for the long term.

The rationale for this change is twofold: first, it simplifies the proposal making it easier to understand and less controversial. Second, it allows DNR to work through issues with its partners and the regulatory community. There were concerns raised over how DNR mitigation banking activities would relate to state and federal regulatory programs (regarding permitting, certification, planning, and service areas designation); this bill will and report back to the legislature.

Senator Swecker asked whether this project could continue in perpetuity. Jay replied that DNR believes it can generate revenue that will allow it to do exactly that. Under this bill, DNR will create only a single mitigation bank.

The Audubon Society inquired as to the quality of lands to be preserved under this bill. Jay stated that the more degraded the land, the better the site for banking. DNR is actually targeting sites in disrepair.

Rick Slunaker was curious as to the need for two banks instead of one. Jay affirmed that revenue generated from the bank would go into the management account only. He added that there are accountability mechanisms built into this agreement although the bill does not include language to that effect.

Senator Swecker asked whether this legislation requires an appropriation - it does not. If DNR does not get the authority, there is a long list of other programs to work on. If they do get it, the staff are already in place. DNR would supply land and staff.

Representative Rockefeller asked how the credits would be determined and debited under this bill. Joe replied that with functional assessments and baseline data, DNR will determine ecological lift as they assess the site. If the credit is too big, mitigators will go elsewhere; if it's too small, it'll leave little room for return on investment.

The question was raised whether one bank will be enough. Joe stated that DNR's position is that this will give them the best opportunity to be successful. He added that more answers will be given this way and that this will simplify the ability to produce results.

6. New Consultation Process

12:15 p.m.

Mike Grady, NOAA Fisheries, updated the group on the coordination work between WSDOT, FHWA, USFWS, and NOAA Fisheries. The work is being done at three staff levels - biologists, program managers, and executives.

The purpose of the Interagency Transportation Consultation Plan is a shared responsibility for project delivery as well as for resolution of critical policy, technical, and legal issues surrounding transportation projects and the consultation process.

It is the intention that consultations will be completed in a timely manner with attention to the target dates in the ESA tracking matrix. All parties will keep each other posted on progress and issues that arise that could affect timeliness.

Future process for "may affect" actions:

- 1.) Begin project review by WSDOT or regional consultant.
WSDOT regional biologist
- 2.) Project is presented at a pre-BA meeting prior to starting the actual consultation (monthly meetings with the four agencies). The attached directions will guide what projects need to be brought to pre-BA meetings. The goal is early identification of issues, project contacts, available data, data and site visit needs, and conservation measures.
Lead: WSDOT ESO Threatened and Endangered Species Program Manager and appropriate WSDOT Regional Biologist.
NOAA Fisheries - Biologist
USFWS - Branch Manager and Biologist

FHWA - Operations Team and ESA Program Manager

- 3.) Interagency communication during BA preparation as appropriate.
- 4.) BA finalized and reviewed within WSDOT.
 - a.) Informal - BA submitted to Services by WSDOT
WSDOT - approved by regional, modal, or Highways and Local Programs environmental manager
 - b.) Formal - BA submitted to FHWA by WSDOT (with environmental manager approval)
 - BA reviewed by FHWA by Area Engineer and ESA Program Manager. FHWA resolves any issues with WSDOT
 - BA submitted to Service(s) by FHWA's Area Engineer
- 5.) BA reviewed by Service(s)
 - USFWS - Biologist/Branch Manager
 - NOAA Fisheries – Biologist/Project Lead
 - a.) Informal - BA reviewed by Service(s) to determine if clarification of information is necessary to complete consultation; expectation is as soon as possible but less than 30 days of receipt.
 - b.) Formal - BA reviewed by Service(s) to determine if clarification of information is necessary to complete consultation; expectation is as soon as possible but within 30 days of receipt.
- 6.) Consultation
 - WSDOT - regional, modal, or HLP Biologist
 - FHWA- Informals delegated to WSDOT
 - Formals - Operations Teams with ESA Program Manager
 - NOAA Fisheries - Fisheries Biologist
 - USFWS – Biologist
 - a.) Informal - Coordination during consultation occurs. This will usually include back-and-forth questions, clarifications, and information needs that arise as the Service(s) review the project and draft their response. There may be meetings and/or field reviews if needed. Elevation of disputes will occur if necessary.
 - b.) Formal - Coordination during consultation occurs. This will usually include back-and-forth on questions, clarifications, and information needs that arise as the Service(s) review the project. There may be meetings and/or field reviews, if needed. The expectation is that there will be direct communication between the Service(s) and WSDOT biologist and the WSDOT biologists will keep FHWA informed on technical issues. Draft analyses, incidental take statements, terms and conditions, and reasonable and prudent measures will be given to WSDOT and FHWA (area engineer and ESA program manager). FHWA and WSDOT will issue a collective response within an agreed-upon response time frame that will focus on substantive concerns. here will be communication between Service(s) and FHWA/WSDOT on unaddressed comments. Elevation of disputes will occur if necessary.

7.) Service(s) conclude consultation

- a.) Informal - issue a letter of concurrence to WSDOT to issue a letter of non-concurrence to WSDOT with copy to FHWA
- b.) Formal - issue biological opinion to FHWA with copy to WSDOT or local agencies

Mike listed a few things that will further refine this process: COE and WSDOT involvement, money from TPEAC, and posting the BA on the Internet. Lines of communication have been improved dramatically. Everyone today is far more willing to work together than in the past that has accelerated the process. Mike cited Marion Carey's (WSDOT) work on the ESA spreadsheet and matrix. He also cited Megan White and Peter Birch for their dedication to seeing to it that the communication aspect is in play.

The Audubon Society asked whether there might be projects considered too destructive to be pushed through. Mike replied that safeguards are in place- the ESA, for example could kick a potentially destructive project back thus denying the permit.

Rick Slunaker asked whether resolution could be achieved through the informal process. Mike replied that it depends on the level of effect. For instance, there will be variance in the timeline of a no-effect, versus a likely-to-adversely-effect finding.

7. Mitigation Banking

1:00 p.m.

Lauren Driscoll, Ecology, brought the group up to speed on the mitigation banking pilot program, a program brought back to life after being cut due to budget shortfalls some three years ago. New funding came last July. The primary goal of the program is to give applicants more options for compensatory mitigation.

After reviewing several potential banking sites for the program, Ecology identified six for certification (all but one are private entrepreneurial banks). Details such as credit determination, service area, and performance standards are being worked out for several of the proposals. Other proposals are still in the design phase, and credit-related details will be worked on once the designs are finalized.

There are several roles the pilot participants play: testing cases for implementation of the draft rule; cost reimbursement contracts for technical review; providing feedback to Ecology on implementation issues and recommendations for rule revisions; and, if certified, the certification is valid even if the final rule is not adopted in future.

The challenges facing the program are largely technical, procedural, or political. Most local agencies do not have a permitting process for banks in place. Permitting is linked to underlying action, grading, and excavation. Agency capacity is limited on state and federal levels. Some agencies do not have dedicated banking staff while others, such as the USFWS and NOAA Fisheries, do not have staff time available to participate in banking review.

There are several opportunities as well: updated mitigation guidance, local government training and outreach, credits for local requirements, HPA mitigation, and conservation banking.

Senator Swecker asked whether there are provisions in place to keep this working in perpetuity. Lauren replied that Ecology's goal is to have self-sustaining systems. As a rule, they've been holding back about 10 percent of a bank's credits to ensure success.

The Senator then asked if TPEAC can be sure that communication is taking place at the appropriate levels and that there will be less delegating, less "answer shopping." Lauren replied that their efforts start from the ground up: Local governments are the real front-line workers here - communication with them is key. As for outreach, the public is advised as to their meetings and actions via a 15-month meeting schedule. As for the banks themselves, notification of any land transfer is required. It goes up from there.

The question was raised whether it's possible to have more than one service area within one banking area. Lauren responded that, from a transportation aspect, they are dealing with them on a site- or case-specific basis.

Senator Swecker asked Lauren to briefly describe the cost-recovery strategy. Right now, they are simply invoicing firms as they go and only paying for work from their offices as they go.

8. Watershed Characterization

2:00 p.m.

Dick Gersib, WSDOT, walked the group through an update on the I-405 and SR 520 projects while also providing to TPEAC an overview of the SR 167 Corridor project. His overall objective was to put project impacts and potential mitigation options in a landscape context.

Watershed characterization's overall goal is to maximize environmental benefit and meet WSDOT needs. Just as WSDOT develops a bank to meet its needs, we target sites based on how we can best meet our needs - our own goals for mitigation benefits. We can always see site-specific examples of the benefits of mitigation, and target the areas most at risk.

The I-405 and 520 projects are good examples of that. Some of the 405/520 findings include: sizable wetland and stormwater impacts are likely, project area wetlands vary in condition and function, many natural resource mitigation sites exist, the potential exists to combine wetland and stormwater mitigation, and the costs of priority restoration sites vary widely (from \$6,342 to \$169,581 per acre).

The products delivered by the 405/520 projects should prove to be of much value - extensive data on landscape condition; natural resource restoration datasets including riparian, wetland, and floodplain restoration datasets; lists of prioritized mitigation opportunities including natural resource and stormwater flow control mitigation sites; site- and landscape-scale information for improved wetland avoidance and minimization decision-making; a 100 page, reader-friendly report, with an additional 200 pages of technical documentation; and a revised methods document.

The lessons learned from these projects can and will be applied to many future WSDOT projects: Watershed characterization is most effective when done prior to project planning and design. Substantial potential exists for mitigation banking of multiple impacts in multiple projects. There will be reduced focus on assessing future project impacts while focus on using the condition of all ecological processes in prioritizing mitigation sites will increase.

Dick posed a rhetorical question: “How can our findings help you reach your goals with the context of the TPEAC mission in mind?” The answer can be found within the process - we are inventorying restoration sites. From there we prioritize based on the greatest potential to provide environmental benefit and overall wetland restoration capability. We then assess site-specific contribution, then the landscape contribution, and then combine the two, making this something of a “Ecology meets DOT” approach. It’s this combination, Dick noted, that equates to streamlining efficiency. He stressed that other such opportunities are there and we just have to get ahead of it - we need only to maintain vision and focus.

Dick emphasized that his workgroup wanted to “anticipate the hard questions,” so they identified a few they assumed would need answering:

- Are the results being used, and are they in sync with the project? Some of the work on 405 may not be needed, though it’s been done and so is there for anyone to use. On 520, there are better opportunities for use of the results.
- Do time/staff requirements limit use? No. We are willing to work for any project that wants us and have yet to turn anyone down.
- What is the shelf life of the priority list? We are confident this data will remain fresh for ten to 20 years. We aren’t just looking at the present; rather, we’re projecting out based on what will be there down the road.

Senator Swecker asked how far away we are from looking at 2005 projects in these terms from a landscape perspective. Dick replied that we can’t only do what’s best for the watershed but that we have to keep an eye trained on the bigger picture. He added that the hardest mitigation work in front of us is in the urban or urbanized areas. Dick also noted that Rick Anderson is taking these concepts and applying them to other types of areas.

Joe Udelhoven asked how long the process has taken and how much it cost. To date it’s taken two years plus four more months for the Project Report on SR 167 due at the end of March and has cost approximately \$120,000.

Senator Swecker offered high praise to Dick and his efforts, quipping that he is “adding science to mysticism.”

9. TPEAC Budget

2:30 p.m.

Senator Swecker requested that the budget forecasting anticipated expenditures be submitted at the next TPEAC meeting in March.

10. Regional fisheries Enhancement Group Coalition Proposal

2:45 p.m.

At the October meeting of TPEAC, Terry Wright and Sheila North presented on behalf of the Regional Fisheries Enhancement Group Coalition (RFEG) an overview of their organization's body of work. They returned to TPEAC today with a proposal for developing and testing a model process by which to prioritize salmon recovery project lists for use by WSDOT to identify mitigation projects. Terry is confident the project can be completed by the June 30 deadline for budget cutoff. RFEG is not proposing any new gathering of information and will use only existing data.

Sheila met with the Southwest Region Environmental Office on December 1. The meeting went well and, in her estimation, everyone was on board. She also spoke with Dick Gersib and they agreed that even though the focus of TPEAC is on mitigation banking, the trend is toward other issues; this is a prime example.

Out of concern that things might not go according to plan, Rick Slunaker asked if the RFEG's were up to this task. He emphasized that he thinks it's a good idea but wonders if this might not be a "careful what you wish for" project. Terry replied that the RFEG's are used to this type of thing and that both the South Sound and Lower Columbia groups are ready to get to work immediately.

Representative Rockefeller requested that the RFEG's identify their ranking criteria and submit them to the Watershed Subcommittee chaired by Dick Gersib.

Action: Representative Rockefeller moved that TPEAC allocate \$50,000 from the TPEAC budget for this proposal. Rick Slunaker seconded the motion. By a unanimous vote in favor, the motion carried.

Scott Boettcher requested that the RFEG representatives come back with an update at the March meeting. Barb Aberle emphasized that projects recommended by the RFEG's must meet WSDOT needs.

Megan White stated she would coordinate with Carrie Berry and Barb Aberle to decide who will be the primary contact within WSDOT on this project.

11. Public Comment

None.

12. Review of Action Items and Deliverables

- JLARC representatives will be invited to present at the next meeting at Senator Swecker's request
- TPEAC Successes Steering Committee update
- NOAA Fisheries EA Development update
- Budget update
- RFEG update
- Commerce Corridor presentation
- Tribal Conference update (carried over from last meeting)

- GIS presentation

13. Closing and Adjournment

Senator Swecker adjourned the meeting at 3:14 p.m.

Environmental Permit Streamlining Needs for FY – 05/07

December 8, 2004

TPEAC has provided a valuable forum to bring together all those involved in transportation permitting. All participants now recognize the relationships between their roles and the importance of working together to bring about a more streamlined permitting process in order to more efficiently use government resources and achieve better environmental results. Some of the TPEAC innovations have been institutionalized, such as a variety of programmatic permits, and more will be over the coming year including watershed characterization; improvements to environmental mitigation; and the on-line JARPA tool to improve permit applications. In addition, as an outgrowth of TPEAC, a Multi-Agency Permitting Team has been established with multi-agency sponsorship. The team is working on permitting a set of transportation projects.

All the state agencies participating in TPEAC recognize the need for continuous improvement in the permitting system. The following proposals continue the work of TPEAC by recognizing the need to maintain the flow of information between the agencies, the permit applicants, and the public; the importance of integrating different permit requirements; and the importance of improving environmental outcomes. This work is in addition to streamlining and regulatory improvement activities currently funded within each agency with existing resources.

Implement TPEAC tools after TPEAC sunset. This includes implementing a permit compliance system and compliance training; using and maintaining programmatic permits; implementing a watershed approach to mitigation; and continuing to develop and implement integrated, on-line permit application tools and the submittal system. These resources are needed to continue to provide training and to measure and report on permit compliance; maintain and update programmatic permits; apply the watershed approach to define better mitigation options for high priority areas; and develop the permit submittal capabilities of the on-line permit application system. This would direct funding for these tasks to Ecology, WDFW, Office of Regulatory Assistance, and WSDOT. \$500,000 from April 2006 to July 2007; \$1,000,000/biennium thereafter. This represents an overall decrease to carry forward TPEAC funding of \$1,625,000/biennium.

Implement Hydraulic Permit Approval System. A new Hydraulic Permit Approval Management System (HPMS) is now under development to replace obsolete manual tools and to automate Hydraulic Permit Approval (HPA) business practices. Phase 1 of the new HPMS system will be implemented this biennium and provide a basic capability for Habitat biologists to receive applications and issue permits. Several key capabilities needed from the new system will not be included this biennium due to funding limitations. Specifically, site visit recording tools, Enforcement Officer communication and inspection tools, appeals tracking and management, public access to data, and GIS integration will need to be added in Phase 2 to achieve full system capability. WDFW \$300,000.

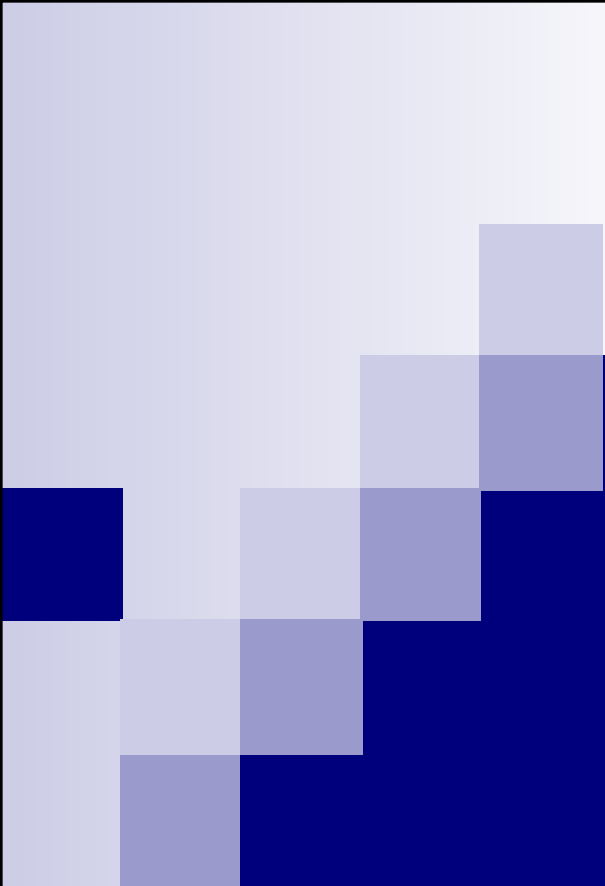
Maintain Web Permitting & Rule Information. The Office of Regulatory Assistance is required to maintain a web site to provide permitting and regulatory information, but the information technology resources required were not fully funded in the 03-05 biennium. This request would be added to existing resources to fully fund one Information Technology position to fully develop the web-site and to maintain the web-based permitting and project tracking system currently under development. ORA/OFM \$66,000.

Provide Permitting Information and Facilitation: The Office of Regulatory Assistance provides specialists to facilitate multi-agency permitting for economically significant projects. It also provides specialists who staff a one-stop service center where citizens can obtain permit information via phone or web, usually for less complex projects. This budget request would add one specialist to facilitate large projects and one specialist to work at the one-stop center. ORA/OFM \$380,000.

Streamline Water Quality Certifications (Section 401 permits): Ecology initiated a pilot for improving the processing time and accountability of these permits, which are required for built in wetlands or water bodies (including transportation projects). The pilot resulted in 90% of routine permits being processed in 90 days, instead of up to a year. This proposal would allow Ecology to expand the pilot statewide, and thereby increase the number of permit decisions in a shorter time frame. This would add 3 staff. Ecology \$610,000.


Support Wetlands Mitigation Banking: Wetland banking is a method that allows high quality wetlands to be restored, enhanced and preserved on a large scale to offset impacts to wetlands from growth. Without state approval, wetland bank owners will have difficulty in selling and using mitigation credits for state or local permits. This would fund a pilot to enable Ecology to continue testing a draft rule negotiated with stakeholders, certify existing banks, and to determine what it will cost the state to implement a wetland banking program. This would add 2 staff. Ecology \$395,000.

Total: \$1,751,000/biennium (FY05-07) – this does not include the decrease to TPEAC funding.



PERMIT HARMONIZING

UNTANGLING THE
ENVIRONMENTAL REGULATORY
MAZE



King County Department of Development and Environmental Services

- Joe Miles

- Manager, Land Use Services

- Harry Reinert

- Special Projects Manager, Director's Office

CHOAS THEORY 101: DIAGRAM OF THE CURRENT REGULATORY PROCESS





PROBLEM STATEMENT

- For a single proposal, applicants need approvals from multiple agencies, adding significant time and cost to the total project
- In many cases, more than one agency is performing the same type of review. This can result in conflicting reporting requirements and mitigation standards
- Agencies include:
 - King County Department of Development and Environmental Services
 - WA Department Ecology
 - WA Department of Fish and Wildlife
 - US Army Corps of Engineers



DRIVERS FOR CHANGE

- Applicant Concerns
- King County Master Builder Fee Task Force
- Washington Competitiveness Council
- Governor's Office of Regulatory Assistance
- King County Budget Advisory Task Force
- King County/Army Corps of Engineers Joint Executive Team (JET) process
- Multi-agency Permitting Team (MAPT)



OBJECTIVES

- Streamline permit process for applicants
- Make efficient use of limited government resources
- Maintain and enhance environmental protection



PERMITS TARGETED FOR IMPROVEMENT

- HYDRAULIC PROJECT APPROVALS (HPA) (Required for activity in state waters)
 - Washington Department of Fish and Wildlife
 - King County
- 401/404 WATER QUALITY CERTIFICATIONS (Required for wetland activity)
 - Army Corps of Engineers
 - Washington Department of Ecology
 - King County
- NPDES STORMWATER PERMITS
 - Washington Department of Ecology
 - King County



CURRENT HPA PROCESS

- King County requires a clearing and grading permit
- Washington Department of Fish and Wildlife issues HPA



HPA INNOVATIONS

- Co-location of staff (Fish and Wildlife work station at DDES)
- Multi-agency pre-application meetings
- Cross-training
- Shared databases
- Standardized BMPs



NPDES STORMWATER GENERAL PERMITS

■ PHASE 1 – CLEAN WATER ACT PROBLEM:

- ☐ Clearing and grading of more than 5 acres requires King County and State permits
- ☐ Compliance with County requirements do not automatically meet state requirements.



NPDES STORMWATER GENERAL PERMITS (CONT'D)

- PHASE 1 – CLEAN WATER ACT
PROPOSED SOLUTIONS:
 - Update King County Surface Water Design Manual (include Stormwater Pollution Prevention Plan requirements)
 - Ongoing coordination
 - Cross walk checklist (i.e., which KC requirements satisfy Ecology requirements)
 - Cross training



NPDES STORMWATER GENERAL PERMITS (CONT'D)

■ PHASE II – CLEAN WATER ACT

PROBLEM:

- Under Phase II CWA, NPDES permit will be required for clearing 1 acre or more

■ SOLUTIONS:

- King County will participate in Ecology rulemaking on Phase II rules
- Implement “Qualified Local Program” option in Clean Water Act



401/404 WATER QUALITY PERMITS FOR WETLAND ACTIVITY

■ PROBLEM:

- Currently, multiple agencies regulate filling of wetlands:
 - Army Corps of Engineers
 - King County
 - Ecology

■ SOLUTION

- King County will use the Joint Aquatic Resource Permit Application (JARPA)
- King County will participate in Army Corps of Engineers sponsored pre-application meetings
- King County will adopt mitigation requirements recommended by Army Corps of Engineers and Ecology

Status

■ HPAs

- WDFW work station established at DDES office in Renton.
- Joint WDFW and DDES meetings to pursue consistent state and local permits.

■ NPDES and 401/404

- Coordinated DDES permits proposing clearing over 5 acres with Ecology NPDES permit process.
- King County using JARPA single application process.
- King County CAO adopted Ecology and ACOE wetland mitigation ratios

■ WSDOT projects

- King County joined WSDOT Multi-Agency Permitting Team (MAPT) and has co-located DDES staff at the Ecology Bellevue office.

■ King County representatives are meeting with various "Permit Harmonizing" stake holders including:

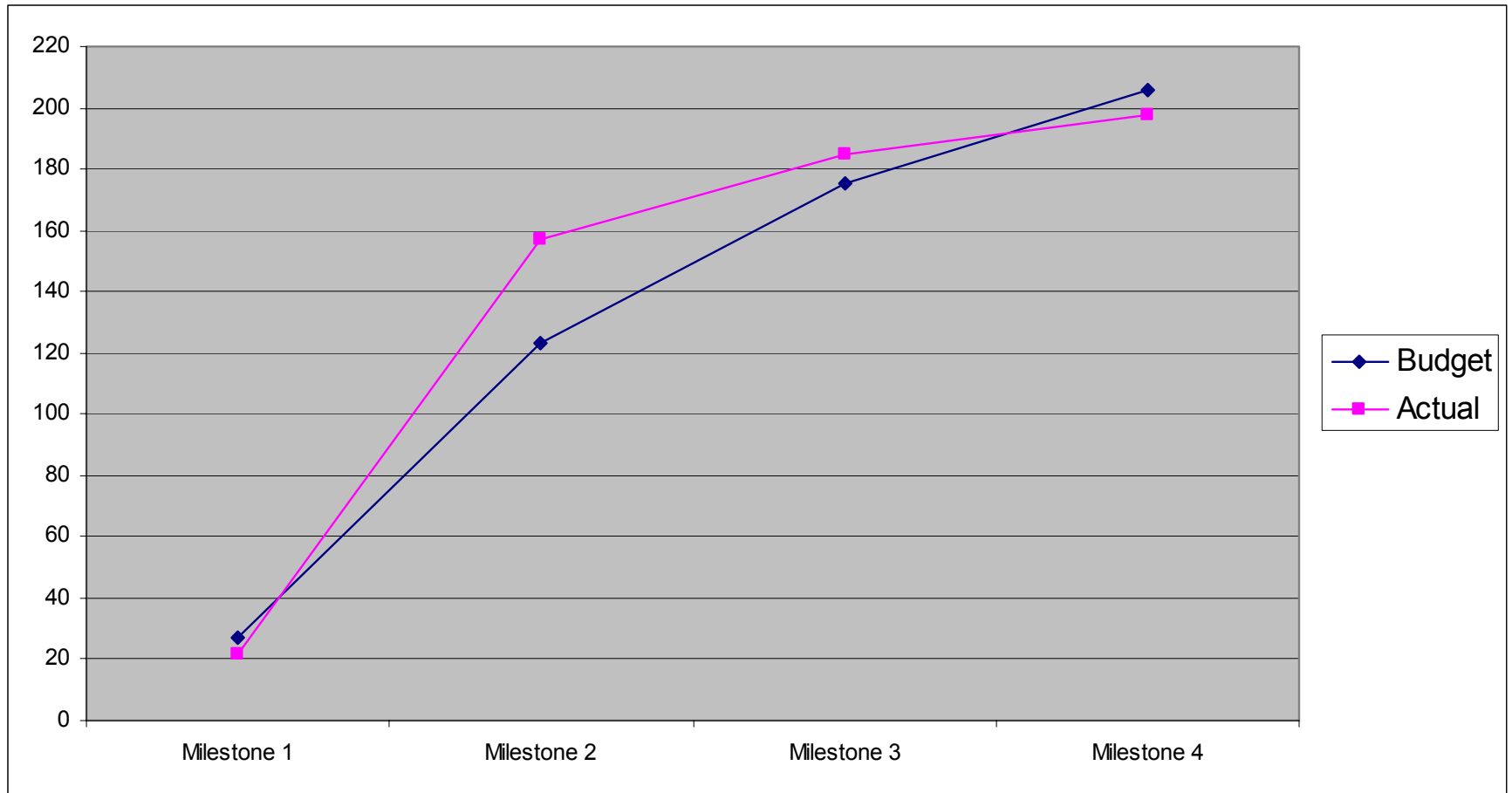
- Quarterly meetings with WDFW, Ecology, WSDOT, and ACOE Directors.
- Washington State Legislative Permitting Process Task Force.
- TPEAC.



OTHER EFFICIENCY EFFORTS

- Mitigation reserves
 - Included as part of critical areas ordinance update
- Programmatic permits
 - Allows repetitive activities to be handled under a single permit
 - KCDOT Roads Maintenance has 3 permits to date
- Project management
 - Provides a predictable and accountable process

	Milestone 1	Milestone 2	Milestone 3	Milestone 4	
Budget	27	123	175	206	
Actual	22	157	185	198	



**Washington State Department of Natural Resources
Aquatic Resources Program**

**2005 Legislative Session
Overview of Pilot Mitigation Bank Proposal Presented to TPEAC
December 8, 2004**

Why TPEAC should care:

- The Washington DNR manages 2.4 millions acres of aquatic lands, including most of the Puget Sound, the outer coast, and navigable freshwater rivers and lakes.
- There are 426 recognized structures/encumbrances on state-owned aquatic lands for DOT bridges, ferries, and roads.
- There are 32 pending/on-going DOT projects that may impact state-owned aquatic lands; the DOT must get an easement from DNR for projects on state-owned aquatic lands.

Goals of the bill:

- Streamline compensatory mitigation efforts.
- Restore a large area of submerged lands that benefits an entire ecosystem or bay, using existing planning efforts (i.e., watershed plans, salmon recovery plans, etc) to the extent possible.
- Consolidate several small compensatory mitigation projects into a single, large project that's more effective, easier to manage, and easier for regulators to oversee.

Proposed bill for 2005:

- Establishes the ability for DNR to partner with private or public entities to develop a single pilot mitigation bank on state-owned aquatic lands and sell bank credits.
- Sets up two accounts: one account to receive a lump-sum management endowment and to act as an investment base and one account to receive the interest earned from the investment base to be used on an annual basis to manage the pilot mitigation bank site for the long term.

Previous bill from 2004 session:

- Established the ability for DNR to become the long-term site manager for external entities who are required by regulators to undertake compensatory mitigation.
- Established the ability for DNR to receive in-lieu fees from external entities that are required by regulators to undertake compensatory mitigation; DNR would perform restoration work that would serve as the compensatory mitigation for the entities.
- Established the ability for DNR to partner with private and public entities to develop mitigation banks on state-owned aquatic lands and sell mitigation bank credits.
- Set up two accounts: one account to receive lump-sum management endowments and to act as an investment base and one account to receive the interest earned from the investment base to be used on an annual basis to manage compensatory mitigation sites and bank sites for the long term.

Rationale for change:

- Simplifies the proposal, making it easier to understand and less controversial.
- Allows DNR to work with its partners and the regulatory community to work through issues. There were some concerns raised over how DNR's mitigation banking activities would relate to state and federal regulatory programs (regarding permitting, certification, planning, and service areas designation); this bill will and report back to the legislature.

Enhancing Transportation Project Delivery Through Watershed Characterization

Richard Gersib

Watershed Program Manager

Washington State Department of Transportation

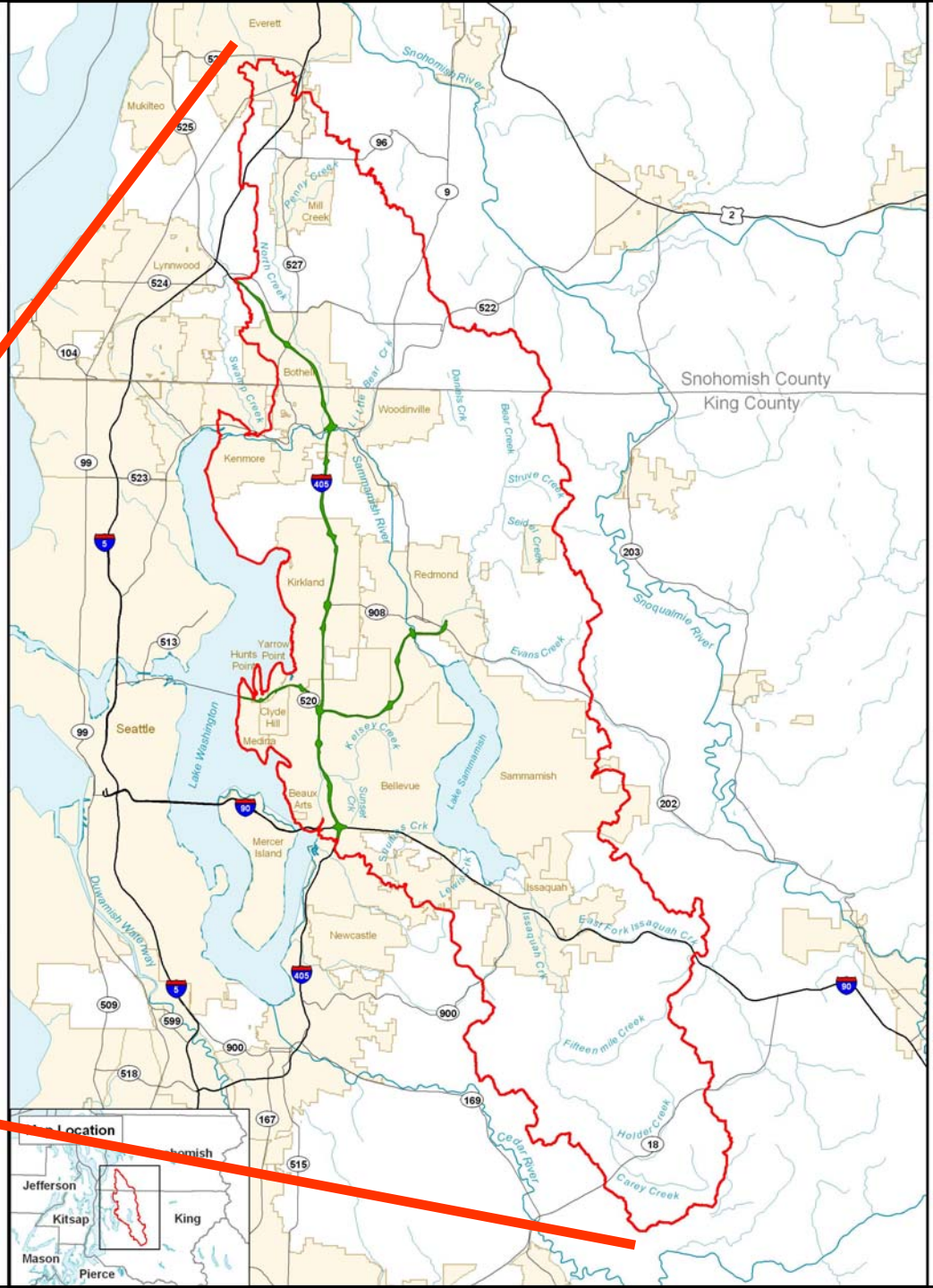
My Purpose:

Provide update on WSDOT watershed characterization work

Our Objective:

To put project impacts and potential mitigation options in a landscape context

I-405 / SR-520 Study Area



New Methods

- Upland Habitat Connectivity
- Pollutant loading
- Delivery and routing of heat
- Revised use of key landscape indicators
- Cost analysis and site verification
- Fish habitat priority criteria

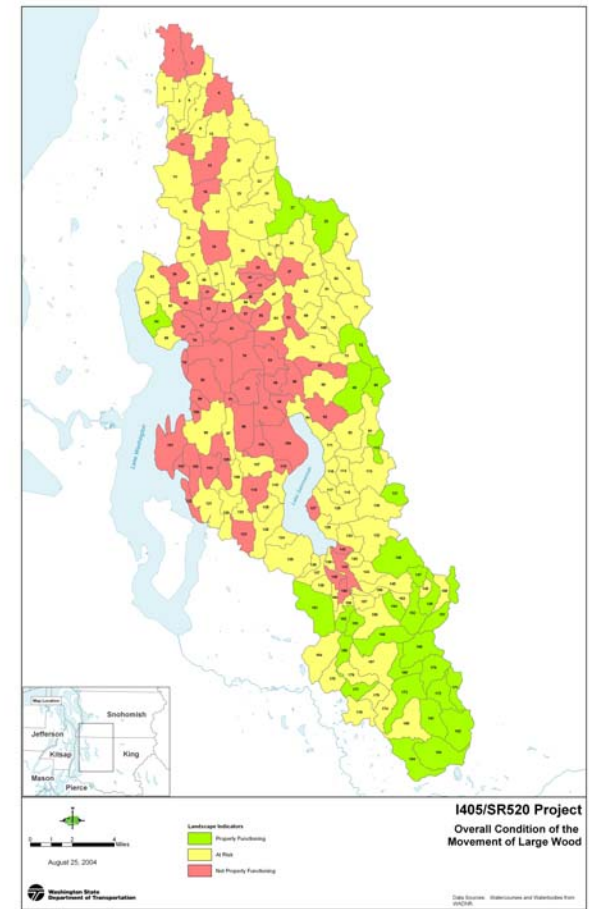
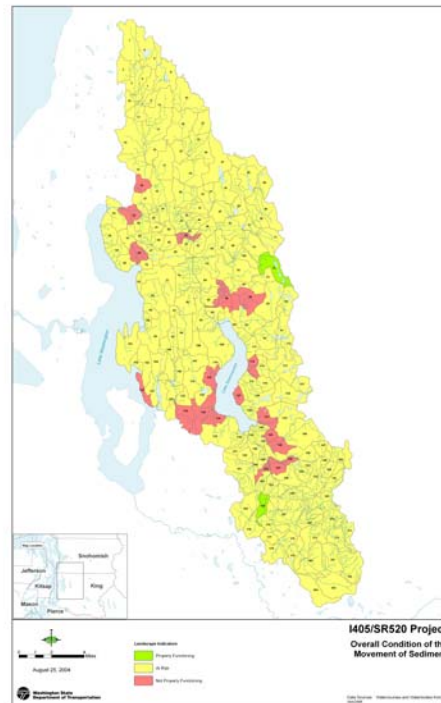
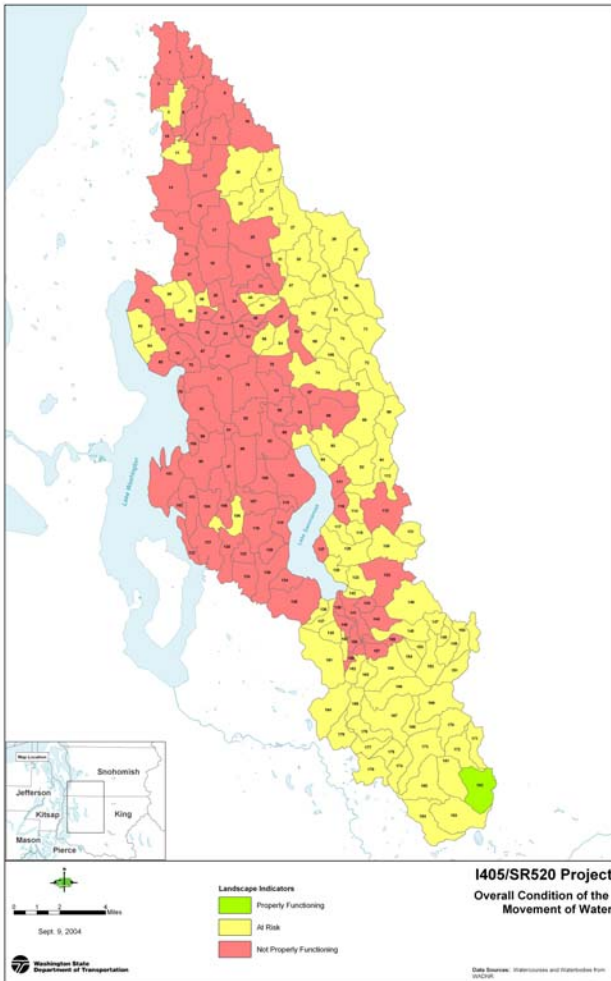
I-405 / SR-520 Findings

- Sizable wetland and stormwater impacts likely
- Project area wetlands vary in condition and function
- Many natural resource mitigation sites exist
- Potential exists to combine wetland and stormwater mitigation
- Costs of priority restoration sites vary widely (\$6,342 to \$169,581 per acre)

I-405 / SR-520 Products



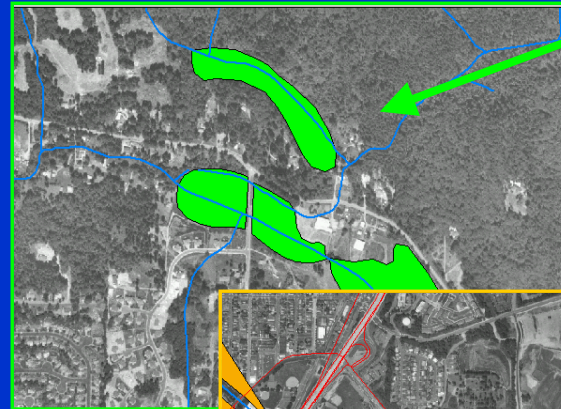
Extensive data on
landscape condition



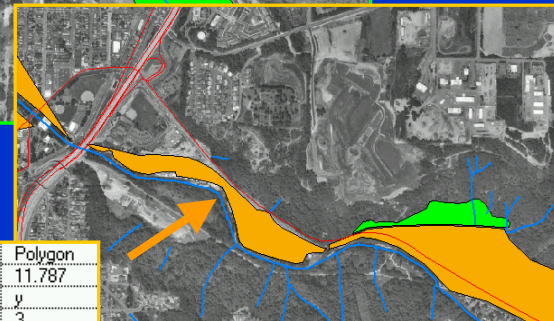
I-405 / SR-520 Products

★ Natural resource restoration datasets:

- riparian restoration dataset with 3,561 unique sites
- wetland restoration dataset with 1,230 unique sites
- floodplain restoration dataset with 97 unique sites



Shape	Polygon
Wtland_id	62
Nu_acres	10.7
Potwet	Y
Wclass	DF
Pclass	DF
Hydr_alt	1
Vg_alt	1
Tr_cnpv	0
Rest_pot	1
Slu	
Notes2	Site assumed drained; was



Shape	Polygon
Acres	11.787
Restflood	y
Decoupled	3
Restrip	1
Restwet	1
Add_mend	1
Patch_mnk	1



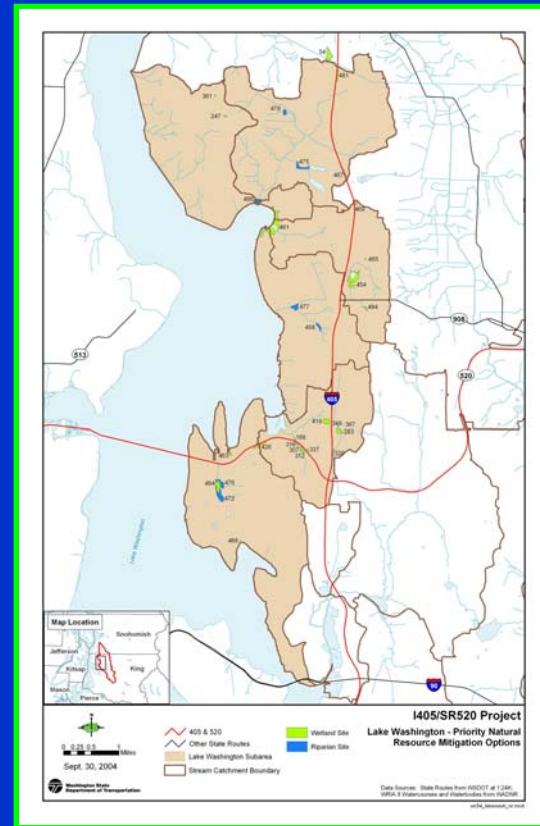
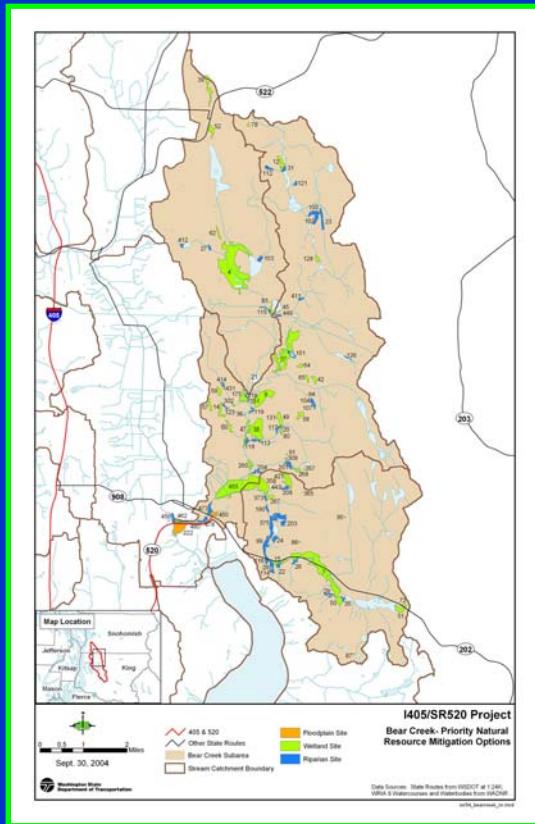
Shape	Polygon
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Pot_rip	y
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Cts_rev	3.0
Add_for	y
Mend_for	n
Adj_pl	n
Dau	0

I-405 / SR-520 Products



Lists of prioritized mitigation opportunities

486 Priority Natural Resource
Mitigation Sites



133 Priority Stormwater Flow
Control Mitigation Sites

I-405 / SR-520 Products

- ★ Site- and Landscape-scale information for improved wetland avoidance and minimization decision-making
- ★ 100 page reader-friendly report with 200 additional pages of technical documentation
- ★ Revised methods document

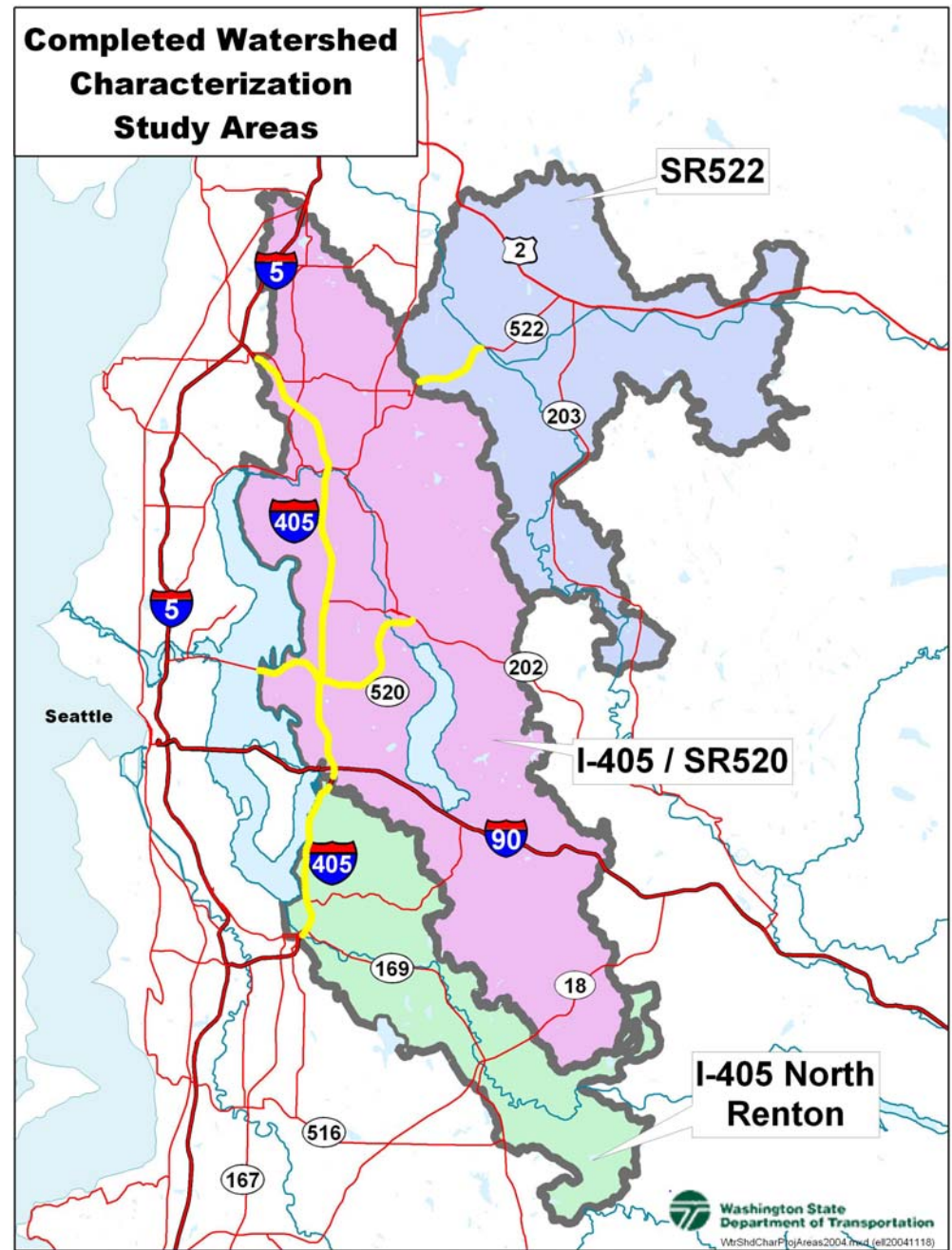
I-405 / SR-520 Lessons Learned

We are confronted by insurmountable
opportunities

- Watershed characterization most effective when done prior to project planning and design
- Substantial potential exists for mitigation banking of multiple impacts in multiple projects
- Reduced focus on assessing future project impacts
- Increased focus on using the condition of all ecological processes in prioritizing mitigation sites

Completed Projects

SR522
I-405 NR
I-405 / SR-520



Are results being used?

Are results in sync with project?

Do time/staff requirements limit use?

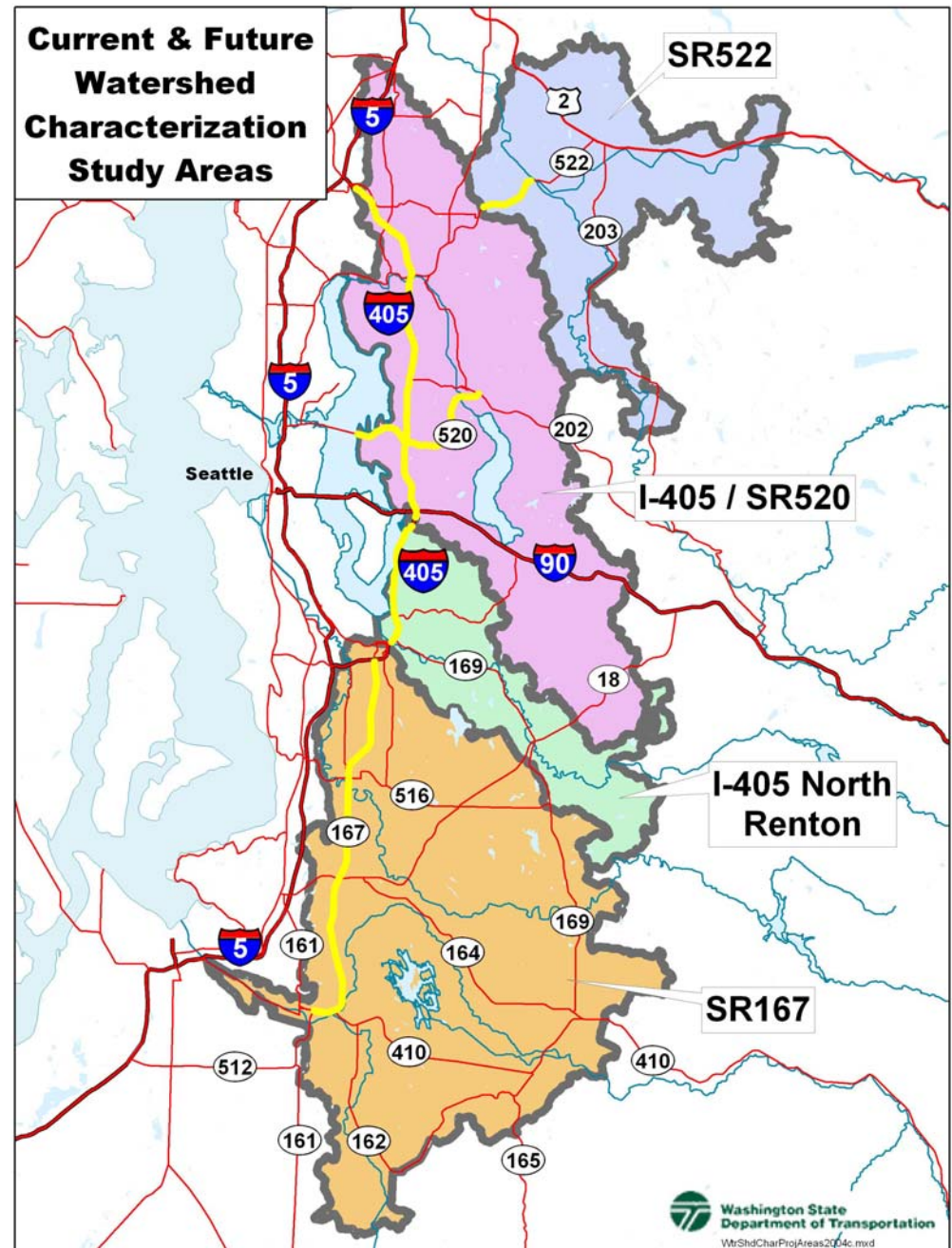
What is “shelf life” of priority list?

New Project

SR-167

350 square
mile study area

Completion
3/31/05



**REGIONAL FISHERIES ENHANCEMENT GROUP COALITION
PROPOSAL TO
TRANSPORTATION PERMIT EFFICIENCY AND ACCOUNTABILITY COMMITTEE**

December 8, 2004

TOPIC: Demonstration Project to Develop Prioritized Salmon Recovery Project Lists for Potential Use by Washington State Department of Transportation (WSDOT) as Mitigation Projects.	Contacts: Terry Wright or Larry Zalaznik
Issue: TPEAC desires to have habitat restoration project lists available for use by WSDOT in implementing required mitigation for highway construction/repair. TPEAC desires to utilize existing watershed salmon recovery processes and information to identify and rank the best potential projects. RFEG's desire is to fulfill the vision of HB 2496 by compiling ranked lists of projects necessary for salmon recovery. WDFW desires completion of the template to complement their Legislative mandate to explore mitigation banking applicable to salmon habitat restoration projects. All parties desire a mechanism to ensure early notification of proposed transportation projects.	
<p>Proposal: For \$50,000, and to be completed by June 30, 2005, TPEAC will fund the RFEG Coalition to: contract with one or more RFEGs to compile and review the following existing information in their WRIA(s) and provide the specified products.</p> <p>Compile <u>existing</u> information for each WRIA:</p> <ol style="list-style-type: none">1. Limiting Factors Analysis (LFA)2. Ecosystem Diagnostic and Treatment (EDT) analyses3. Watershed Assessment(s)4. Culvert Assessment(s)5. Nearshore Assessment(s)6. 2514 Watershed Plan7. Watershed Recovery Plan(s) (2496)8. Previously identified project list(s) <p>Products/Deliverables</p> <p>A. Provide a ranked project list for each contracted WRIA – from the following process:</p> <ol style="list-style-type: none">1. Complete “SSHIAP-type” calculations for habitat above blockages2. From information listed above, identify areas and types of potential projects for restoration3. Contact landowners to discern level of interest for specific projects4. “Ballpark” estimate of cost5. Compile all potential projects6. LE Citizen Committee evaluate/rank projects within project types (Hi-Med-Low)	

B. Develop a template for implementing this concept on a statewide basis – to include at least:

1. Minimum information and analyses required to develop and rank projects
2. How long it takes to gather the information and how much it costs
3. Desired state of readiness for cost estimates/landowner agreements. etc.
4. Appropriate roles for RFEGs, LEs, agencies, and other local entities

Discussion: Lead entities and Regional Fish Enhancement Groups are salmon-centric; therefore, the delivered project lists will be salmon-centric. Similar processes could be developed to rank other types of projects that are beyond the scope of LEs and RFEGs, but still valuable for WSDOT mitigation; for example, Puget Sound Nearshore restoration projects or hatchery modifications. Ranking criteria, specific to WSDOT needs, will be developed for use by the LEs. True cost estimates, landowner agreements, and other project development issues are beyond the scope of this demonstration project. Future efforts will need to determine how to fund and complete those activities. The NWIFC's SSHIAP program will provide analysis of potential fish habitat above fish barriers for WRIAs selected for this project. If funded, the RFEG Coalition will produce an RFP and identify the RFEGs to participate in the demonstration project – up to five WRIAs at \$9,000 each. Each RFEG will be invited to comment on the statewide template and the final report before submittal to TPEAC.

Project Costs: \$50,000

1. Compilation of Information – 5 WRIAs @ \$2,000 ea.	\$10,000
2. SSHIAP Analysis – donated/match	\$ 0
3. Identify areas and types of potential projects – 5 WRIAs @ \$4,000 ea	\$20,000
4. Identify potential sites for projects and contact landowners - 5 WRIAs @ \$1,000 ea.	\$ 5,000
5. Engineer estimates of cost – 5 WRIAs @ \$1,000 ea.	\$ 5,000
6. Compile unranked lists and conduct LE review – 5 WRIAs @\$1,000 ea	\$ 5,000
7. Develop template, recommendations, and final report - 1 @ \$2,500	\$ 2,500
8. Contract support – 5 WRIAs @ \$500	<u>\$ 2,500</u>
TOTAL	\$50,000